

Senate Committee on Foreign Relations
Senator Richard G. Lugar
Opening Statement for
Hearing on Climate Change
January 24, 2007

Last week, I returned from an extended trip to Central Asia and the Caucasus in which I visited Kazakhstan, Turkmenistan, Azerbaijan, Georgia, and Ukraine.

This region is emblematic of the challenges that we face as we discuss climate change and the so-called post-Bali roadmap for international negotiations. More than fifteen years after the collapse of the Soviet Union, all five of these countries continue to struggle to develop their economies, rebuild their infrastructures, and address widespread pollution and toxic waste problems.

Central Asian hydrocarbon reserves are the subject of intense global diplomatic and economic competition. The race for control of the natural gas and oil in this region will impact energy equations throughout Europe and Asia. Russia is vying to monopolize energy flows from Central Asia, while other nations are hoping to secure access to these supplies as an alternative to current sources of energy. Meanwhile, energy rich states like Kazakhstan, Turkmenistan, and Azerbaijan are considering how to maximize the economic benefits that will be derived from their oil and natural gas reserves.

Given these stakes, climate change and the post-Bali road map are distant and purely hypothetical topics in Central Asian capitals. One can engage officials in Baku, Astana, and Ashgabat about melting ice caps, flooding coast lines and even the fate of the polar bears. They will say that concern for the global environment is all well and good, but they have to develop and use their fossil fuel resources to raise standards of living. They will say that they live in a tough neighborhood and have few economic options. They will say they have to sell the energy sources that will put even more carbon in the atmosphere. Clearly, they do not lack customers.

The picture is even more sobering when we consider China. That country's rapid economic growth and industrialization are obliterating old ways of thinking about the global economy. In 2007, demand for power generation in China expanded by a phenomenal 16 percent. This figure followed a 14 percent increase in demand for power in 2006. The Chinese coal plants that came on line in 2006 alone added a net 80 gigawatts of electricity generation to the Chinese system – an amount roughly equal to the entire electricity capacity of Great Britain.

Vehicle sales in China increased by more than 25 percent in 2006, as China passed Japan to become the second largest vehicle market in the world behind the United States. The 7.2 million vehicles sold in China in 2006 were four and a half times as many as were sold in China just 9 years earlier. The resulting demand for transportation fuels has focused the Chinese government on a global search for reliable oil supplies that pays little attention to the external behavior or internal human rights record of potential suppliers.

Rapid industrialization in China, India, and other nations is rendering obsolete many well-intentioned approaches to energy security, climate change, and global economic policy. I say all of this not to diminish the problem of climate change or to dismiss the grave security and economic threats that could come from ignoring it. My concern is that the debate over climate change must not become divorced from what is happening in China and India, and regions such as Central Asia. The global surge in energy demand cannot be restrained purely through negotiation. Nor will arbitrary and unfocused goal setting related to carbon emissions have much impact.

We need to sharpen the focus of our debate over climate change and the economic and energy factors connected to it. We have to recognize that energy supply and demand issues are at the core of most major foreign policy, economic, and environmental issues today. Technological breakthroughs that expand clean energy supplies for billions of people worldwide will be necessary for sustained economic growth. In the absence of revolutionary changes in energy policy that are focused on these technological breakthroughs, we will be risking multiple hazards for our country that could constrain living standards, undermine our foreign policy goals, and leave us highly vulnerable to economic, political, and environmental disasters with an almost existential impact.

The United States should recognize that steps to address climate change involve economic opportunities, not just constraints. Thanks to new technology, we can control many greenhouse gases with proactive, pro-growth solutions. Such technology represents an enormous opportunity for U.S. exports.

But we have to have the will to develop, test, and implement these technologies on a truly urgent basis. The next President must demand that research projects related to battery technology, cellulosic ethanol, carbon capture and storage, solar and wind power, and dozens of other technologies receive the highest priority within the Administration.

We also have to create the financial incentives that move new technologies toward implementation on a national scale. To be successful, both parties must forego traditional partisan posturing on these issues. In the interest of national security, many Republicans will have to be more flexible in accepting government mandates, Federal research spending, or other tools that might prove useful in jump starting specific innovations. Meanwhile, many Democrats will have to reconsider their views on nuclear power, clean coal technologies, and other options that may not satisfy an ideal vision of environmental friendliness.

With less than a year left in this Administration, I remain hopeful that the United States will exercise global leadership in developing and deploying cleaner energy technologies that could transform the world economy and provide our best opportunity to mitigate the risks of climate change. I look forward to the insights of our witnesses on this important topic.

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